



**The Corporation of the Municipality of Wawa
Report**



**Office of the CAO /Clerk-Treasurer
Chris Wray**

Prepared For: Mayor & Council	Report No.: CAO-2015-16
Agenda Date: November 10, 2015	Report Date: September 10, 2015

Subject

The subject of this report is the current tax arrears situation of the Municipality of Wawa and the subsequent issue of the problems that arise when property owners abandon properties subject to the tax sale process.

List of Stakeholders

The list of Stakeholders includes:

Mayor and Council
Municipal Staff
Residential, Commercial and Industrial Ratepayers

Summary of Recommendation

It must be recognized that the recommendations made herein require resources (human and financial) to execute. Once a decision is made to accept the recommendations, in whole or in part, work can begin on the required resources.

It must also be remembered that the present system is also posing a strain on our resources, both human and financial. In this case there can be no real return on the effort. This echoes a quote that has been attributed to Mark Twain who once said; *"If you always do what you've always done, you will always get what you've always got"*.

Respectfully Submitted By:

**Chris Wray
CAO / Clerk-Treasurer**

Property Tax Arrears

The following, in no particular order, are the recommended actions to deal with Property Tax Arrears:

1. An educational program through our newsletter, direct mailing or our website. Such a program could include information on cash flow and its importance to the Municipality as well as “*what happens when you don’t pay your property taxes*”.
2. Encouraging Extension Agreements in certain circumstances and provided the necessary criteria were met. Extension Agreements are already used but only as a last resort.
3. Increasing the number of tax instalment dates. Currently taxes are due four (4) times through the year. This could be expanded to monthly due dates. While it may seem to be a bit cumbersome, such a schedule may entice people to pay monthly¹ rather than deferring their payments until the quarterly requirement – in other words it may be easier for some to come up with a monthly payment rather than a quarterly payment that is typically four (4) times the amount.
4. While the legislation provides timelines to address tax arrears, there is nothing in the *Municipal Act* to prevent the Municipality from taking action prior to the expiry of the legislated timelines. Prior to the end of the three (3) and four (4) year timeframes, the Municipality could take action against a ratepayer for arrears such as small claims court or the seizure of property, including chattels² in or on the dwelling / property. The Municipality also has the power to seize bank accounts and all personal property for the non-payment of taxes at any time. In some cases a Bailiff can be used with the costs being borne by the ratepayer.
5. The Municipality carries Reserves for many purposes including a Reserve to offset large tax increases. While we do provide for some measure of tax write-offs we do not hold this in a specific Reserve. Consideration should be given to such a Reserve.
6. The Municipality also has the ability to sell its debt to a third party. It may be worthwhile investigating how such an arrangement would work. This is provided under *Section 305(1) of the Municipal Act*. *Section 349 of the Municipal Act* allows the Municipality to deal with tax debt as one amount or as separate amounts separated by year. These provisions could be used in conjunction with the provisions of *Section 305(1)*.
7. Where it is known, the Municipality should seize the associated rents of any tenant in a dwelling. The ability exists under the *Municipal Act* and must be served in writing.

¹ Consideration would need to be made to accommodate the billing of water and sewer charges.

² In some cases, it has been found that those who are in tax arrears and know that a tax sale action may be taken have actually removed specific chattels from the dwelling, such as furnaces, duct work etc. and sold them to avoid seizure at the tax sale.

The actions or methods above along with an updated tax collection policy that includes specific reference to the powers of staff would be the preferred method to proceed.

Vacant Buildings / Properties

The recommended course of action herein has two (2) separate streams:

First, a concise plan needs to be developed and adopted by Council. Components of the plan should include a present inventory³ of the problematic buildings and the possibilities for removing the risk and perhaps re-purposing the building and/or property. Sections could be added for areas of risk along with a good communications component to the plan. Specific ideas that should be included are:

1. Repurposing to usable buildings through a revitalization program.
2. Repurposing to green space / parks complete with trees, benches etc.
3. Repurposing to space for community gardening.
4. Seeking out partnerships for potential repurposing such as that which has already been discussed with a local school and the use of “shop” students.
5. Selling any remaining chattels and / or demolished materials to assist in offsetting any taxes written down.
6. The process to be used to demolish or clean up the most problematic properties.
7. The search for potential funding for any clean up or repurposing.

Second, there must be a policy that allows or provides the necessary direction and authority to deal with the subject properties and the associated risks. Matters in the policy should include direction to be proactive (including perhaps, a Property Standards Committee), an updating of matters currently contained in the property standards bylaw, and an aggressive process for the prosecution of offenders⁴.

Background

Preamble

The revenue streams available to municipalities across the Province are limited with the largest such source being own-purpose taxation. As a result, and due to the dependence upon this taxation, most communities pay particular attention to their levels of tax arrears – particularly those properties that exceed two-years in arrears.

Larger communities and communities that experience assessment related growth are for the most part, able to manage⁵ the issue of tax arrears within their annual budgets. Smaller communities however, particularly communities that do not or have not experienced assessment related growth and communities that may be experiencing a downturn in economic activity have for the most part, a difficult time managing their levels of tax arrears. Wawa is no exception.

³ Such an inventory would also include a basic a professional determination of the condition of each building.

⁴ Attached is news articles from the Sault Star on a recent prosecution

⁵ There are always exceptions

Tax Arrears have always been a concern in Wawa. This is much different from being a problem. The final closure of the AOD in 1998 caused an increase in tax arrears as some people left the community. After that point, arrears remained stable and Wawa was able to effectively manage the situation within its annual budget. Of course, it must be remembered that almost 50% of the total tax levy was, at that time, coming from Great Lakes Power. In 2001 that changed when the Province of Ontario moved to exempt all power dams from property taxation. The effect in Wawa was that tax arrears relative to total taxation increased dramatically⁶. Moreover, in the past, any tax write-offs would be included as part of the annual budget. The exemption of the power dams from taxation meant that the remaining assessment would pick-up (pay for) these write-offs without the benefit of the power dam assessment.

While Wawa continued to manage its tax arrears effectively, despite the power dam matter, another blow was dealt in 2007 with the collapse of the forest industry and a world-wide economic downturn. By 2008, tax arrears were rising, and by 2010, the number of tax sale properties had increased to unprecedented levels. As the population continued to decrease, businesses closed and arrears continued to increase in all tax classes.

In the case of both the closure of AOD and the collapse of the forest industry, the increase in tax arrears was not necessarily immediate. Rather, a gradual increase was seen as residents and businesses tried to manage the new reality in the hopes of a recovery.

This past spring, the Ministry of Municipal Affairs and Housing (MMAH) met with staff and Council to discuss the annual Ministry produced Financial Indicators⁷. The indicators are categorized as low, medium or high risk with each being supported by measures developed by MMAH.

It was a pleasure to see that all indicators, save one, were categorized as “*low or medium risk*”; the sign of good fiscal management. Tax Arrears were noted as being “*high risk*” which came as no surprise. This is the area that the Municipality really needs to give increased attention and consideration.

Wawa’s Tax Arrears

Factors to Remember

When we discuss the property tax arrears of the Municipality of Wawa, there are always caveats that must be remembered. The following are some thoughts that Council may wish to remember for future discussions:

1. Property Tax Arrears have three (3) main components; municipal taxes, education taxes and interest.

⁶ This does not mean that the amount of arrears necessarily increased.

⁷ The most recent indicators attached

2. When Council is presented with a report or recommendation to write-off taxes, the taxes and relative interest that belong to the School Boards is, at the time of the write-off, offset against the next requisition from the particular School Board.
3. Taxes that are collected on behalf of the School Boards are paid when they are levied and on a quarterly basis. These payments are made, even though the actual cash may not be in the bank. This means that we could pay up to four years of education taxes (for any given property) to a School Board without collecting those funds from the relative properties. This can and does amount to a significant number.
4. Our total Reserves and Reserve Funds are made up of two (2) components; cash and accounts receivable. The cash portion is relatively straight forward. The accounts receivable portion is comprised of receivables from the Province of Ontario, the Government of Canada and Property Tax Arrears.⁸
5. \$3.3 million (about 30% of our annual budget) is distributed to the following Boards / Organizations:
 - a. Ontario Provincial Police
 - b. Municipal Property Assessment Corporation
 - c. Algoma Public Health
 - d. Algoma District Social Services Administration Board
 - e. EDC of Wawa
 - f. Wawa Public Library

The Ontario Provincial Police and the Algoma District Social Services Administration Board make up the majority of these payments, totalling almost \$2.9 million.

There is no current process, and in the case of the OPP, MPAC, APH, DSSAB and the Wawa Public Library, no legislative authority⁹, to charge back any portion of tax write-offs (from tax arrears) to these organizations. The result is that the remaining property tax assessment picks up an increasing amount of the annual payments.

6. The Municipal Finance Officers Association has determined that one dollar (\$1.00) of tax arrears today will be worth (buying power) about \$0.18 in four (4) years.

⁸ There may also be other miscellaneous receivables

⁹ In a two-tier government, the services delivered by the DSSAB and policing are the responsibility of the Upper Tier. In this case, the tax write-downs, including a portion of the DSSAB and policing costs would be written down and charged to the Upper Tier.

7. Increasing tax arrears result in an increase in tax sales which stretches our staff resources and incurs additional costs for the process which may or may not be collected.
8. The bank and other lending organizations review the level of tax arrears relative to tax revenues in determining the level of risk for lending funds to the Municipality.
9. Successful tax sales (for properties four (4) years or more in arrears) are the exception rather than the rule in Wawa¹⁰. This is due to the poor economy and in some cases the poor condition of the subject properties.
10. The amounts contained in the tax arrears totals include amounts that should be reviewed in light of other legislation. These include arrears owing for Wawa Park City (*The Municipal Tax Assistance Act*), Great Lakes Power (*The Assessment Act*) and several Mining Claims (*The Municipal Tax Assistance Act*).
11. Prior to 2001, all power dams in Wawa were subject to property taxation. The Province then exempted this assessment from taxation. This removed almost 50% of the assessment in Wawa from the property tax roll. With the exemption of almost 50% of the total taxable assessment, all tax write-downs were then absorbed, through the annual budget process, by the remaining 50%, making the cost to the remaining assessable property almost double what it had previously been.

Property Tax Arrears Levels

In the past several years tax and reserve fund levels have been increasing. The increases in property taxation have generally been caused by an increase in servicing costs, new programs, increases to reserves (and capital spending) and unfortunately, an increase in tax arrears.

Since 2011, net tax arrears for Wawa have increased by 71.1% with the year-over-year change shown in the following chart:

Year	Total Arrears	% Increase	Year-over-Year Increase	%
2011	888,442	-	-	-
2012	836,927	(5.7%)	(5.7%)	(5.7%)
2013	1,029,902	23%	15.9%	15.9%
2014	1,262,171	22.6%	42.0%	42.0%
2015 ¹¹	1,520,472	17.0%	71.1%	71.1%

¹⁰ This contributes to the “vacant building” problem. Most often these buildings have not been properly maintained or violate the Property Standards By-law

¹¹ There are currently 83 properties that are in excess of three years in arrears. 21 new properties were added in August and have been sent for registration. Many mining claims are included in this category.

While this increase in and of itself is concerning, it is even more startling that during this same time, Wawa has written down \$1,255,568 in taxes as follows with the vast majority of the subject properties being unsuccessful during the tax sale process.

Year	Write-down	Cumulative Write-down
2011	479,343	479,343
2012	169,199	648,542
2013	68,950	717,492
2014	297,981	1,015,473
2015	240,095	1,255,568

If we add the total write-downs (\$1,255,568) to the current arrears (\$1,520,472) and then divide that sum (\$2,776,040) by the amount of the write-downs (\$1,255,568) then the conclusion is that we have actually written down 45% of those arrears – this is a staggering amount!

Mentioned previously in this report was the 2015 annual visit by MMAH to report on the fiscal health of the Municipality. As discussed, the only “*high risk*” area that was highlighted by MMAH was the amount of tax arrears held by Wawa. MMAH compares the total arrears to the current year tax revenues and uses that percentage to gauge risk. If we do this for the years 2011 to 2015 (part year), the following chart results:

Year	Total Arrears	Total Revenue	Taxation	Arrears as % of Tax Revenues
2011	888,442	4,514,621		19.7%
2012	836,927	4,700,520		17.8%
2013	1,029,902	4,784,552		21.5%
2014	1,262,171	4,933,899		25.6%
2015	1,520,472	5,009,216		30.4%

These increasing figures will only lead to the natural conclusion that we will have to provide for more write-downs in the annual budget.

Council should be aware that for many years now, property assessment in Wawa has been undergoing a metamorphosis. Going back perhaps as far as 2007, assessment values in Wawa (power dams notwithstanding) had been relatively stable. There were years when some minimal growth occurred yet generally new construction was absent. Due to this stagnation, the amount of taxes raised by any property class remained consistent in proportion to the contribution of each class. Driving the actual increase in rates were increases for the cost of services along with the loss of the ability for the Municipality to charge the appropriate share to the assessment related to the power dams.

The economic downturn in 2007, including the collapse of the forest industry changed Wawa's sensitive assessment base in an expected detrimental manner.

As the jobs disappeared in Wawa and the region, people left; as people left houses became empty, businesses of all kinds lost customers and revenue and began to close. While some residents and businesses continued to pay their property taxes, many did not. Properties were abandoned altogether with some left to decay creating property standards issues, fire hazards and public health and safety concerns.

Abandoned Properties

While the above has its obvious negative socio-economic effect on the community, there is also the detrimental effect on the property assessment base that needs to be considered. The largest single contributing taxation class in Wawa is the Residential and Multi-Residential Classes¹². However, without the ongoing contribution of the Commercial and Industrial Classes the Municipality would not be able to function¹³. There are abandoned residential buildings in Wawa but the greatest abandonment seems to have occurred in the Commercial and Industrial Classes – a drive around Wawa will prove this point. The direct result – the Municipality must rely on the Residential Class to provide an ever-increasing amount of the property taxes for the services in Wawa. There is however other negative results from this abandonment which includes but may not be limited to:

1. Abandoned buildings that violate property standard bylaws or other Provincial Legislation reducing the overall value of neighbourhoods which in turn brings down the assessed values of other properties.
2. Abandoned buildings and other properties that violate property standard bylaws or other Provincial Legislation diminish the attractive look of any community and have a particular effect on communities that rely on tourism or who may be looking for new commercial investors.
3. Abandoned buildings create a severe fire hazard thereby potentially placing Volunteer Firefighters and other Emergency Workers at risk and using financial resources to address fire prevention and suppression on property assessment that no longer pays property taxes.
4. Abandoned buildings attract unsightly graffiti, vandalism and crime.
5. If not addressed, these properties continue to accrue property taxes that will never be paid or that will never be realized.
6. The non-payment of property taxes does not relieve the property owner of his / her responsibility to care for the property. In the absence of that care

¹² Prior to 2001, it was the Industrial Class due to the Power Dam assessment that was the largest contributor.

¹³ The financial contribution of the Commercial and Industrial Classes are imperative for the Municipality to function

or a court order enforcing same, the Municipality may become responsible to address any risk by removing the building and the clean-up of the property. The funds necessary for such a clean-up will come from the remaining ratepayers.

7. The removal or demolition of abandoned buildings or the clean-up of unkempt properties will, in most cases, result in large volumes of material deposited into the Wawa landfill thereby prematurely aging the landfill. The deposition of this material will not result in any associated landfill tipping fees that are necessary to support the costs (including closure costs) of the landfill. More importantly, the current status of our landfill will not allow much if any of the subject material; meaning that in all likelihood, it will need to be shipped out, thereby increasing costs.
8. While the removal of abandoned buildings or the clean-up of unkempt properties is a desirable activity, it will result in a loss of property assessment. This results in a shift of taxation, including increased costs to the remaining assessment base.

Policies Affecting Proposal

Property Standards Bylaw
Tax Collection Policy

Options

There are two subjects in this report that should be addressed. First, consideration should be given to addressing the matter with respect to property tax arrears including the current arrears and any future arrears. Second, consideration should be given to addressing the increasing problem of abandoned buildings and unkempt properties.

Property Tax Arrears

As a matter of practice and policy, the Municipality of Wawa follows the legislative timeframes available to it for the collection of tax arrears. Generally, this means that we send out reminder letters each year to those in arrears, interest is charged at the maximum allowed under the *Municipal Act*, legislative notices are issued according to the timeframes and after three years in arrears¹⁴ (including a portion of the amount owing), a tax certificate is registered against the property with all those who have an interest in the property also being notified. At the conclusion of the fourth (4th) year, the Municipality conducts a tax sale according to the *Municipal Act*.

In order to assist ratepayers in addressing the payment of their property taxes, the Municipality has put in place, through policy, a number of methods of payment. Ratepayers can:

¹⁴ Once a tax certificate is registered on a property, the entire balance plus costs must be paid in order to remove the certificate. No other amounts may be accepted.

1. Utilize a monthly payment plan through the Municipality where funds come directly out of their bank account.
2. Make arrangements with their bank to have the funds come directly from their bank account with the bank in turn paying the Municipality when the taxes are due.
3. Pay their taxes as they are due and as noted on the tax payment notice issued twice per year. This can be accomplished by using the mail or simply coming to the municipal office and paying by cheque, cash or debit card.
4. Taxes may also be paid by credit card through "*Paymentus*" accessed on the Municipal website. The direct use of credit cards was discontinued by Council in 2013 through the annual budget process due to the high cost (to the Municipality) of credit card fees.

Regardless of the number of methods for ratepayers to pay their taxes, arrears continue to increase. The reasons for the increase can be attributed to many issues including a poor economy and personal choice. As our tax arrears increase our available cash decreases. Combined with other cash flow issues (such as the Power Dam Compensatory Program), the Municipality is being gradually forced into a position where it must borrow funds on a short term basis to fund both operating and capital costs.

The following options are presented as being possible ways in which our tax arrears levels can be addressed.

Option 1

Continue with our present practice of the collection of tax arrears.

Option 2

Take the path of other small communities and make no efforts to collect tax arrears.

Option 3

Update the current tax collection policy and implement other measures that are within the rights and powers of the Municipality of Wawa concerning property tax arrears.

Vacant Buildings / Properties

As described earlier in this report, and as a result of the increasing tax arrears, the downturn in the economy and other factors, the number of vacant buildings has greatly increased relative to the era prior to 2007. What is also obvious is that the vast majority of these buildings have been abandoned by the owners and are now violating our property standards bylaw and posing other specific negative issues. Moreover, these issues are not limited to vacant buildings but also extend to properties that are generally vacant (i.e. no structures).

In reading through the options, Council should keep in mind the following principles:

1. A clean, presentable community is of great benefit for assessment values, tourism values and quality of life.

2. Property ownership comes with a responsibility. Such responsibility does not end if and when the property owner decides to stop paying property taxes.
3. There is a cost to the Municipality in dealing with the management of derelict structures and properties.
4. Not addressing derelict structures or property comes with risk. In that regard, the Municipality has a responsibility to manage the issue.

Remembering these principles and the other information contained in this report, please consider the following options.

Option 1

The first obvious option is the *status quo*. This does not mean that we take no action. Rather, the *status quo* means that we only take action, whether that is through our property standards bylaw or some other measure, if and when a complaint is received or if and when a situation is so obvious that action must be taken.

Option 2

A second option could be established as a “*case-by-case*” basis. In other words, a policy could be written that would require municipal staff to regularly report to Council on matters of derelict properties and the actions thereto in addition to managing any such complaints.

Option 3

Develop a plan as proposed in the draft Municipal Business Plan to provide the direction and in some cases the necessary authority for staff to deal with these issues.

Recommendation

Tax Arrears

It is fairly obvious that to some extent our tax collection practices are working. While our practices may be working, our arrears continue to increase. Increasing tax arrears means less cash which in turn requires us to borrow short-term, the funds necessary for both ongoing and capital operations. Borrowing increases costs. Clearly a change is needed. To that end, **Option 1 is not recommended.**

There are communities in the region and across the Province who take no action whatsoever in the collection of tax arrears – at one time Wawa was one of those communities. Such a path is not conducive to responsible fiscal management and in fact could be viewed as being irresponsible. The problems associated with poor or no property tax collection efforts include:

1. Banks and other lending institutions being wary of lending funds, even on a short term basis.
2. The possibility of a “Qualification” for the annual Financial Statements and a Management Letter that could contain some serious messages.

3. Increasing costs for short term borrowing, assuming that short term borrowing is possible.
4. Being factored in when requesting assistance from the Ministry of Municipal Affairs and Housing due to catastrophic economic events. In other words, don't ask for assistance from the Province unless there has been a local effort to address the circumstances.
5. Such efforts could be looked at as a detractor when applying for grant funds from programs such as NOHFC, FedNor, OCIF or SCF.

For these reasons, **Option 2 is not recommended.**

As mentioned earlier in this report, the Municipality of Wawa is using the legislated timeframes combined with other available measures to address the issue of tax arrears. However, the level of tax arrears continue to climb and one could perhaps argue that it is coming to a critical point. There are other measures that are available to the Municipality that can be used and combined with policy changes in an attempt to address the issue of tax arrears. The following, in no particular order, are additional available methods:

1. An educational program through our newsletter, direct mailing or our website. Such a program could include information on cash flow and its importance to the Municipality as well as "*what happens when you don't pay your property taxes*".
2. Encouraging Extension Agreements in certain circumstances and provided the necessary criteria¹⁵ was met. Extension Agreements are already used but only as a last resort.
3. Increasing the number of tax instalment dates. Currently taxes are due four (4) times through the year. This could be expanded to monthly due dates. While it may seem to be a bit cumbersome, such a schedule may entice people to pay monthly rather than deferring their payments until the quarterly requirement – in other words it may be easier for some to come up with a monthly payment rather than a quarterly payment that is typically four (4) times the amount.
4. While the legislation provides timelines to address tax arrears, there is nothing in the *Municipal Act* to prevent the Municipality from taking action prior to the expiry of the legislated timelines. Prior to the end of the three (3) and four (4) year timeframes, the Municipality could take action against a ratepayer for arrears such as small claims court or the seizure of property, including chattels¹⁶ in or on the dwelling / property. The Municipality also has the power to seize bank accounts and all personal property for the non-payment of taxes at any time. In some cases a Bailiff can be used with the costs being borne by the ratepayer.

¹⁵ Municipally created criteria

¹⁶ In some cases, it has been found that those who are in tax arrears and know that a tax sale action may be taken have actually removed specific chattels from the dwelling, such as furnaces, duct work etc. and sold them to avoid seizure at the tax sale.

5. The Municipality carries Reserves for many purposes including a Reserve to offset large tax increases. While we do provide for some measure of tax write-offs we do not hold this in a specific Reserve. Consideration should be given to such a Reserve.
6. The Municipality also has the ability to sell its debt to a third party. It may be worthwhile investigating how such an arrangement would work. This is provided under *Section 305(1) of the Municipal Act*. *Section 349 of the Municipal Act* allows the Municipality to deal with tax debt as one amount or as separate amounts separated by year. These provisions could be used in conjunction with the provisions of *Section 305(1)*.
7. Where it is known, the Municipality should seize the associated rents of any tenant in a dwelling. The ability exists under the *Municipal Act* and must be served in writing.

The actions or methods above along with an updated tax collection policy that includes specific reference to the powers of staff would be the preferred method to proceed. There can be no question that if the Municipality of Wawa continues with its present practice of tax collection, it is likely that tax arrears will financially cripple the Corporation and continue to be to the detriment of the ratepayers. For these reasons, **Option 3 is recommended.**

Vacant Buildings / Properties

The present practice of dealing with the issue of derelict buildings and properties, particularly those that are the subject of tax arrears is for the most part not effective.

Clearly, buildings that were once functional and being used have been left to decay and have become not only an “eyesore” but a risk to the safety of the public and to emergency services who may be called to an event at any of these facilities.

The existence of these buildings and properties only serves to decrease property values, assessment values and use municipal resources that could be better used elsewhere. The *status quo* is not working and for this reason **Option 1 is not recommended.**

Reporting on the matter of derelict buildings or properties on a “*case by case*” basis, whether or not it is supported by a policy is not an effective use of Staff or Council time. Staff would need to take the time to investigate, write a report, bring it to Committee and then to Council while Council considers the technical recommendations that could be contained in the report(s). For this reason, **Option 2 is not recommended.**

The existence of derelict buildings and properties in Wawa is a serious issue. It is not just an “eyesore” but a severe risk to members of the community and to the Municipality. Not addressing the issue will quickly make matters worse and increase any and all risks.

The discussions surrounding the Municipal Business Plan (MBP) ensured that derelict buildings and properties are a component of the plan. The MBP speaks specifically about a plan to deal with these properties in a manageable way. This can and should be done in two separate but related streams.

First, a concise plan needs to be developed and adopted by Council. Components of the plan could include a present inventory of the problematic buildings and the possibilities for removing the risk and perhaps re-purposing the building and/or property. Sections could be added for areas of risk along with a good communications component to the plan. At all times, we must remember that some of the buildings or properties may be owned by private individuals and may also be subject to investigation for bylaw or other legislative infractions. To that end, privacy must be maintained. Specific ideas that could be considered include:

1. Repurposing to usable buildings through a revitalization program.
2. Repurposing to green space / parks complete with trees, benches etc.
3. Repurposing to space for community gardening.
4. Seeking out partnerships for potential repurposing such as that which has already been discussed with a local school and the use of "shop" students.
5. Selling any remaining chattels and / or demolished materials to assist in offsetting any taxes written down.
6. The process to be used to demolish or clean up the most problematic properties.
7. The search for potential funding for any clean up or repurposing.

Second, there must be a policy that allows or provides the necessary direction and authority to deal with the subject properties and the associated risks. Matters in the policy would include direction to be proactive (including perhaps, a Property Standards Committee), an updating of matters currently contained in the property standards bylaw, and an aggressive process for the prosecution of offenders¹⁷.

It must be remembered that demolishing a building is not as easy as it sounds. For example, if it is determined through proper investigation and prosecution that the Municipality of Wawa had to demolish a building then it may very well be the remainder of the ratepayers that will need to absorb the cost of the demolition. Considering the cost to demolish the "top six (6)" problem buildings in Wawa would most likely approach \$750,000, proper planning and policies are a necessity.

For these reasons, **Option 3 is recommended.**

¹⁷ Attached is news articles from the Sault Star on a recent prosecution